

**Department of Management and Budget
Acquisition Services**

**Report of Proposed Changes in Excess of \$500,000
To Current Contracts for Computer Software Development,
Hardware Acquisition, or Quality Assurance**

Sec. 713 of Public Act 161 of 2003

(December 16, 2003)

Questions regarding this report may be directed to Jim Konrad, 517-373-0315

December 16, 2003

**BID TABULATION AND RECOMMENDATION FOR AWARD
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES**

CONTRACT DESCRIPTION: 071B1001069 - Data Warehouse - Department of Information Technology - Data Center Operations

CONTRACT PERIOD -

BASE YEAR(S): 10/2/2000 through 12/31/04 (3 years, 3 months)

☐ - **OPTION 1** N/A

☐ - **OPTION 2** N/A

☐ - **OPTION 3** N/A

CONTRACTOR:
Integris, Inc., Billerica, MA

INCREASE
\$7,647,097.00

☒ - **Check if AS1 received by Acquisition Services.**

☒ - **Check if request is to extend contract (no option in base contract) - Time period of extension:** 12/31/03 through 12/31/04 (1 year)

☐ - **Check if extension request is beyond option year(s) - Time period of extension:**

PURCHASE JUSTIFICATION:

Description of Product Service Requested: This proposal provides the State with a capability for improving the capacity and performance capabilities of the State's Teradata Production Data Warehouse, while at the same time addresses Michigan requirements for business continuity and a separate Test and Development environment. To accomplish these goals, the procurement of a new 8-node NCR 5380 Production Data Warehouse system and the subsequent redeployment/ reuse of the current 8-Node NCR 5250 production system as the State's Disaster Recovery, and, Test and Development system is needed. This contract will be merged with another contract from Integris, Inc. next year, which will save the State costs in contract administration.

Purpose/Business Case of New Contract, Amendment, or Extension and Expected Outcomes: The purpose of this request is to extend the contract for one year and add money to accommodate the purchase of new hardware and maintenance for the new equipment through the first quarter of fiscal year 2005. This contract currently provides essential hardware, software, and support for the Data Warehouse supported by Data Center Operations (DCO). Several State agencies are customers of this operating system and they include - Family Independence Agency - Child Support Enforcement System (CSES), Treasury, Department of Community Health, State Court Administrative Office.

This contract currently provides essential hardware, software, and support solution that will provide a means for the customer agencies to continue their business processes, and will provide a platform that will allow for fast processing capabilities. The upgrade of hardware and software included in this request will provide additional capacity to a system that is running with less than 13% availability, as well as provide a disaster recovery system that does not currently exist.

Commitment: Prices are fixed for the duration of the contract.

Funding Source: IT revolving funds recovered through service rates.

Risk Assessment: If this extension and increased dollar amount is not approved, the integrity of the system will be compromised. The system will not function much longer with the limited capacity, and if there is a disaster with the production system, there is no recovery.

Cost Reduction Consideration:

A. Negotiated Savings: Negotiations with the vendor resulted in a cost savings of \$1,287,119.00 conditional upon a purchased order issued by 12/24/03.

B. Total Savings: \$1,287,119.00

PRICE CLAUSE: Price is fixed for the duration of the contract.

CS-138: NJ

ORIGINAL CONTRACT AMOUNT: \$2,696,057.93

CURRENT CONTRACT AMOUNT: \$15,388,402.00

PROPOSED AMENDMENT INCREASE AMOUNT: \$7,647,097.00

PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL CONTRACT AMOUNT: 284%

PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT CONTRACT AMOUNT: 50%

ESTIMATED 04 FISCAL YEAR INCREASE: \$5,735,323.00

NEW TOTAL CONTRACT COST: \$23,035,499.00

☒ Check if > \$500,000 for software development, computer hardware acquisition or quality assurance?

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INFORMATION BELOW THIS LINE FOR INTERNAL USE ONLY

Buyer Signature

Manager Signature

Division Director Signature

Acquisition Services Director Signature